

Message Text

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44

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /099 W

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R 301250Z SEP 76

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 9349

INFO AMEMBASSY ABU DHABI

USINT BAGHDAD UNN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

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EO 11652: NA

TAGS: ENRG, IR, US

SUB: CONSORTIUM REPRESENTATIVES VISIT IRAN

1. REPRESENTATIVES OF ALL CONSORTIUM MEMBER COMPANIES CONCLUDED A ROUTINE FOUR-DAY VISIT TO IRAN SEPTEMBER 28. PRIMARY PURPOSE OF VISIT WAS TO DISCUSS THE 1977 OSCO BUDGET WITH NIOC. (OSCO IS CONSORTIUM-OWNED PRODUCING COMPANY THAT IS UNDER CONTRACT WITH NIOC TO OPERATE KHUZESTAN OIL FIELDS.) PRELIMINARY INFORMATION IS THAT NIOC APPROVED BUDGET OF \$1.7 BILLION. IF ACCURATE, NIOC THROUGH OSCO WILL BE SPENDING AT LEAST 30 PERCENT MORE NEXT YEAR THAN THIS. CONFIRMATION OF AND DETAILS ABOUT BUDGET WILL BE PROVIDED AS AVAILABLE.

2. DURING LAST DAY OF VISIT, MANOUCHEHR EGHBAL, GENERAL MANAGING DIRECTOR OF NIOC, MET WITH REPRESENTATIVES AND GAVE WHAT WAS CHARACTERIZED AS A PRO FORMA DEMAND FOR THE INITIATION OF SERIOUS RENEGOTIATIONS OF THE 1973 SALES AND PURCHASE AGREEMENT--WHICH GOVERNS RELATIONSHIPS BETWEEN NIOC AND CONSORTIUM. REPRESENTATIVES
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DID NOT TAKE EGHBAL'S REQUEST AS SERIOUS AND THEY CONTINUE TO

BELIEVE THAT NEW OR REVISED NIOC/CONSORTIUM AGREEMENT SHOULD NOT AND CANNOT BE REACHED UNTIL SAUDI/ARAMCO SETTLEMENT ANNOUNCED. ONE REPRESENTATIVE TOLD EMBASSY OFFICER THAT HE HAD VERIFIED, AT LEVEL SLIGHTLY LOWER THAN EGHBAL, THAT NIOC AND GOI SHARED VIEW THAT IT WOULD BE FUTILE FOR IRAN AND CONSORTIUM TO ATTEMPT TO REACH AGREEMENT IN ADVANCE OF ARAMCO TAKE-OVER.

3. EMBASSY CONTACTS AT NIOC CONFIRM THAT IRANIANS ARE IN NO PARTICULAR HURRY TO SIT DOWN WITH CONSORTIUM FOR SERIOUS TALKS. HELMS

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